

Press Release

Unless the Power Sector is Declared Public Property as Islam Mandates, Muslims of Pakistan Will Be Burdened by Expensive Electricity and Power Shortages

The government has announced an increase in the price of electricity by Rs. 2.97 per unit from 1st October 2021. Allowing for quarterly tariff adjustment (QTA), effectively the tariff increase for residential consumers is about Rs. 8 paisa per unit, whilst the tariff for all other consumer categories will effectively go up by Rs. 1.36 per unit. The entire tariff adjustment would generate about Rs135 billion for the private power companies in additional revenues, besides additional revenues for the government. This is whilst there is a mountain of debt owed to the private power companies. The main reason for this circular debt is that all the successive governments in Pakistan have made deals with private energy companies to generate expensive electricity, whilst committing to paying "capacity charges" when the government does not take electricity from them because of low demand. By June 30, 2021, Pakistan's circular debt had ballooned to Rs. 2327 billion, with a buildup of circular debt from July 2020 to April 2021 of Rs. 260 billion.

The power tariff increases are breaking the backs of the Muslims, as well as their industry and agriculture. The average cost of electricity in Pakistan has almost doubled in the last three years and will increase further in the coming years under the current non-Islamic system, which relentlessly privatizes the power sector. In addition, the Muslims of Pakistan faced severe gas and electricity shortages from June 28 to July 7, in scorching temperatures, when gas is not required for heating, whilst electricity is needed for cooling. Yet, whilst the rulers of Pakistan march ahead with the IMF plan for the privatization of the power and gas sector, they blame the K-Electric Company for power shortages in Karachi and the Engro Company for gas shortages. Previously, the government has blamed private companies for severe petrol shortages, but then only imposed minor fines and continued with the IMF plan for the privatization the fuel sector.

As for the IMF role in our power sector, the IMF is a colonialist institution tasked with protecting the interests of the United States and international investors. The IMF is putting pressure on Pakistan to increase electricity prices to ensure the profitability of private investors, whilst keeping Pakistan's economy dependent on interest-based debt. Due to the high cost of electricity, Pakistan's agricultural and industrial sectors will never reach their full potential and have become increasingly crippled, which in turn is used as an excuse by the rulers of inability to refuse colonialist dictates. Only Islam can release us from the misery of the privatization of the energy sector. Islam commands that the power sector comes under public ownership, so it is the responsibility and duty of the state to supervise the power sector. The Messenger of Allah (saw) said, في الكَلَا والماء والتَّارِي (Abu Daud).

Keeping power prices at a price that the Muslims can easily afford, whilst ensuring the supply of power is uninterrupted, is only possible when the power sector is declared as publicly property, in accordance with the Islamic legal ruling. In order to keep the power sector efficient, it is essential to link the promotion, demotion or dismissal of those working in this sector to their performance, as is the case in the private sector. However, the rulings regarding the economy of Islam can only be enforced by the Khilafah (Caliphate) on the Method of the Prophethood, because the basis of governance in the Khilafah is not the orders of the United States and its colonialist tool, the IMF, but the orders of Allah (swt) and His Messenger (saw). So, O Muslims, establish the Khilafah for the pleasure of Allah (swt), securing success in this world and the Hereafter!

Media Office of Hizb ut Tahrir in Wilayah Pakistan